



20
VERMONT

***Safe Harbor Worksheet for Estimated Income Tax Payments
for Nonresident Shareholders, Members, or Partners***

DUE DATES: March 15 for sub-chapter S corporations; April 15 for partnerships and LLCs. SEE INSTRUCTIONS ON PAGE 2.

PRINT OR TYPE COMPLETE NAME AND ADDRESS BELOW

If **ELIGIBLE** composite filer,
Check here. ☐

FEDERAL
ID
NUMBER

THE FISCAL YEAR ENDING AND THE VERMONT BUSINESS
ACCOUNT NUMBER (VBA#) MUST BE PROVIDED.

CALENDAR
YEAR OR
FISCAL YEAR
ENDING (y y y m m)

VERMONT
BUSINESS
ACCOUNT
NUMBER (# # # # # X X)

Place an "X" in the box to indicate a loss amount.

Enter all amounts in whole dollars.

1. Enter prior year (20___) Vermont net income apportioned/allocated to nonresidents only ☒ 1. , , .
2. Multiply Line 1 by the marginal rate of 7.2% ☒ 2. , , .
 - ◆ If Line 2 is zero or less, or \$250. or less for one VT nonresident (in Line 1), or \$500. or less for two or more VT nonresidents (in Line 1), skip to Line 5(E) and enter Line 2 amount on Line 5(E). (Quarterly estimated payments were not required for this taxable year.)
 - ◆ If the amount on Line 2 is over \$250. for one VT nonresident (in Line 1) or over \$500. for two or more VT nonresidents, divide Line 2 by 4 and enter the results on Line 5, Columns (A) - (D). Enter the total of Line 5, Columns (A) - (D) on Line 5(E).
3. Current year (20___) Vermont net income apportioned/allocated to VT nonresidents only ☒ 3. , , .
4. Multiply Line 3 by the marginal rate of 7.2% ☒ 4. , , .
 - ◆ If Line 4 is zero or less, or \$250. or less for one VT nonresident (in Line 3), or \$500. or less for two or more VT nonresidents (in Line 3), skip to Line 6(E) and enter Line 4 amount on Line 6(E). (Quarterly estimated payments are not required for this taxable year.)
 - ◆ If the amount on Line 4 is over \$500., divide Line 4 by 4 and enter the results on Line 6, Columns (A) - (D). Enter the total of Line 6, Columns (A) - (D) on Line 6(E).
 - ◆ Enter the actual estimated payments made for this current taxable year in the corresponding columns (A) - (D) of Line 7. Enter the total of Line 7, Columns (A) - (D) on Line 7(E).

	(A) 1st Quarter	(B) 2nd Quarter	(C) 3rd Quarter	(D) 4th Quarter	(E) TOTAL
5. Prior Year Calculation					
6. Current Year Required					
7. Current Year Payments Made					

8. If Line 7(E) is *less than* Line 6(E), subtract Line 7(E) from 6(E). This is your "catch-up" payment due March 15 for sub-chapter S corporations, or April 15 for partnerships and LLCs. 8. , , .

Attach this worksheet to a completed Vermont Form WH-435 with your payment.

If Line 7(E) is *equal to or greater than* Line 6(E), there is no "catch-up" payment due for this current taxable year.

If no "catch-up" estimated payment is due, submit this form with your Business Income Tax Return (VT Form BI-471) at the time of filing.


SIGNATURE REQUIRED. Please go to Page 2.

WH-435SH Payment Instructions

- A Subchapter S Corporation, Limited Liability Company or Partnership is required to make estimated income tax payments on behalf of its non-Vermont shareholders, members or partners. **If any are lower-tier entities, the minimum annual tax is \$250. for each one.**
- If the payment is for a lower-tier entity, i.e. a Subchapter S Corporation, Limited Liability Company, or Partnership, provide a separate Form WH-435 for the individuals (or C Corporations) that are ultimately to receive the credit on a personal (or C Corporate) income tax return.**
- The estimated payments are due quarterly and are calculated by multiplying the estimated payment rate by the income distributed or allocable to the shareholder, member or partner. This information is the taxable income reported on Federal Schedule K-1. The estimated payment rate is 7.2%.
- Safe harbor calculation and "catch up payment"** 32 V.S.A. §§ 5914 and 5920 require S Corporations, Partnerships and Limited Liability Companies to declare and pay estimated tax based on 100 percent of the income earned by its nonresident shareholders, partners or members attributable to Vermont. Because the estimated payments are due before an accurate determination can be made of the income earned by the entity in the taxable year, the Department established an administrative "safe harbor" procedure to simplify the calculation for estimated tax payments due on or after April 15, 2005. For estimated tax payments due on or after April 15, 2005, the following procedure may be used:
 - For each of the four estimated tax payments that are due, the S Corporation, Partnership or Limited Liability Company makes a payment of no less than one quarter of the total estimated tax payment that was required to be made for the immediately preceding tax year. These payments are due on the fifteenth day of the fourth, sixth, and ninth months of the tax year of the entity and the first month of the subsequent year.
 - The S Corporation, Partnership or Limited Liability Company makes a fifth "catch up" payment equal to the total amount of estimated payments that is required to be made for the current tax year, less any sum paid in the four quarterly estimates. The catch up payment shall be due on or before the due date for filing the S Corporation, Partnership or Limited Liability Company return. This date shall not be extended notwithstanding any request for extension of the entity return.

The purpose of the safe harbor procedure is to establish a method that will permit a S Corporation, Partnership or Limited Liability Company to avoid the assessment of penalties and interest for the underpayment of the required estimated payments. An entity is not required to use the safe harbor procedure if it determines that the safe harbor will result in an overpayment of required estimated payments. However, the entity will be subject to applicable penalties and interest on each separate estimate that is underpaid.
- For additional information see VT Technical Bulletin 5 (TB-05) and VT Technical Bulletin 6 (TB-06) at our website www.state.vt.us/tax under the heading of "Legal Interpretations".**
- Certain Subchapter S Corporations, Partnerships, and Limited Liability Companies may file and remit the estimated tax payments on behalf of nonresident shareholders, partners and members annually, on January 15, instead of quarterly. To qualify, the entity must have a single (nonresident) shareholder, partner or member and a tax liability of \$250. or less in the prior year; or, 2 or more shareholders, partners or members and a tax liability of \$500. or less in the prior year.
- THIS FORM MUST STATE THE FISCAL YEAR ENDING AND THE ASSIGNED VERMONT BUSINESS ACCOUNT NUMBER (VBA#).**
- Use blue or black ink to fill in the form and clearly print or type the entries. Call 802-828-5723 if you need assistance.

I hereby certify that I am an officer or authorized agent responsible for the taxpayer's compliance with the requirements of Title 32 of the Vermont Statutes and that this return is true, correct and complete to the best of my knowledge. If prepared by a person other than the taxpayer, this declaration further provides that under 32 V.S.A. §5901, this information has not been and will not be used for any other purpose, or made available to any other person, other than for the preparation of this return unless a separate valid consent form is signed by the taxpayer and retained by the preparer.

	Signature of Officer or Authorized Agent	Printed name	Date	Daytime telephone number (optional) ()	May the Dept. of Taxes discuss this return with the preparer named? <input type="checkbox"/> Yes <input type="checkbox"/> No
	Preparer's signature	Date			Check if self-employed <input type="checkbox"/>
	Preparer's printed name	Preparer's Social Security No. or PTIN			
	Name and address of preparer's firm or business	EIN			Preparer's Telephone Number

**Paid
Preparer's
Use Only**